

**WEINER
BRODSKY
SIDMAN
KIDER PC**

227913



October 1, 2010

BY HAND

Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E. Street, SW
Washington, DC 20423-0001

ENTERED
Office of Proceedings

OCT - 1 2010

Part of
Public Record

RE: STB Finance Docket No. 35413, Lancaster & Chester Railroad, LLC - Acquisition and Operation Exemption - Lines of the Lancaster & Chester Railway Company

STB Finance Docket No. 35414, Gulf & Ohio Railways Holding Co., Inc., H. Peter Claussen and Linda C. Claussen - Continuance in Control Exemption - Lancaster and Chester Railroad, LLC

Dear Ms. Brown:

Enclosed for filing in the above-referenced proceedings are an original and 10 copies of (i) the verified notice of exemption of Lancaster & Chester Railroad, LLC, pursuant to 49 C.F.R. § 1150.31; and (ii) the verified notice of exemption of Gulf & Ohio Railways Holding Co., Inc., H. Peter Claussen and Linda C. Claussen, pursuant to 49 C.F.R. § 1180.2(d)(2) (the "Control Filing"). Also enclosed are 20 additional copies of the maps attached as Exhibit A to the Control Filing, pursuant to 49 C.F.R. § 1180.6(a)(6).

In addition, enclosed are two checks in the amounts of \$1,800 and \$1,300 to cover the respective cost of each filing.

**WEINER
BRODSKY
SIDMAN
KIDER PC**

Cynthia T. Brown

-2-

October 1, 2010

Please acknowledge receipt of this letter by date-stamping the enclosed acknowledgment copy and returning it to our messenger.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Mark H. Sidman', with a horizontal line extending to the right.

Mark H. Sidman

207915



BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35414

GULF & OHIO RAILWAYS HOLDING CO., INC.,
H. PETER CLAUSSEN AND LINDA C. CLAUSSEN
CONTINUANCE IN CONTROL EXEMPTION -
LANCASTER & CHESTER RAILROAD, LLC

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**SURFACE
TRANSPORTATION BOARD**

VERIFIED NOTICE OF EXEMPTION

Pursuant to 49 CFR § 1180.2(d)(2), Gulf & Ohio Railways Holding Co., Inc. ("G&O"), and H. Peter and Linda C. Claussen (the "Claussens") file this Notice of Exemption from the prior approval requirements of 49 U.S.C. § 11323. (G&O and the Claussens are referred to herein together as the "Owners".)

1. Name, Business Address and Phone Number:

Gulf & Ohio Railways Holding Co., Inc.
422 West Cumberland Avenue
Knoxville, TN 37902
Tel (865) 525-9400

H. Peter Claussen and Linda C. Claussen
422 West Cumberland Avenue
Knoxville, TN 37902
Tel (865) 525-9400

FILED

OCT - 1 2010

**SURFACE
TRANSPORTATION BOARD**

2. Counsel for Correspondence:

Troy W. Garris, Esq.
Weiner Brodsky Sidman Kider PC
Dallas Metropolitan Area Office
2904 Corporate Cir.
Flower Mound, TX 75028

469-635-7539

3. Brief Summary of Proposed Transaction:

G&O, a non-carrier corporation, and the Claussens, non-carrier individuals, seek to continue to control Lancaster & Chester Railroad, LLC (“Purchaser”) upon its becoming a class III railroad in a related proceeding. *See* STB Finance Docket No. 35413, Lancaster & Chester Railroad, LLC – Acquisition and Operation Exemption – Lancaster & Chester Railway Company (“Related Proceeding”). Currently, Purchaser is a non-carrier, but it will become a class III rail common carrier upon consummation of the proposed transaction described in that Related Proceeding.

The Claussens own a controlling share of voting stock of G&O. G&O in turn wholly owns the following other class III rail carriers: (a) Conecuh Valley Railroad Co., Inc., which operates in Alabama; (b) Knoxville & Holston River Railroad Co., Inc., which operates in east Tennessee; (c) Laurinburg & Southern Railroad Co., Inc., which operates in North Carolina; (d) Piedmont & Atlantic Railroad, Inc., which operates in northwestern North Carolina under the trade name of Yadkin Valley Railroad; (e) Rocky Mount & Western Railroad Co., Inc., which operates in central North Carolina under the trade name Nash County Railroad; (f) Three Notch Railroad Co., Inc., which operates in Alabama; and (g) Wiregrass Central Railroad Company, Inc., which operates in southeast Alabama. The class III rail carriers controlled by G&O and the Claussens are referred to herein as the “Affiliates.”

Purchaser will not connect with any of the Affiliates, nor is this transaction part

of a series of anticipated transactions that would connect Purchaser with any of the Affiliates. There are no class I carriers involved.

4. Proposed Consummation Schedule:

The transaction is expected to be consummated on or after November 1, 2010.

5. Purpose of Transaction:

By establishing a separate non-carrier entity to consummate the transactions described in the Related Proceeding, Owners are able to insulate their other railroads from the financial, legal, and operational risks associated with the transactions contemplated in that proceeding.

6. States Where Property Located:

The rail line Purchaser will acquire is wholly located within the State of South Carolina.

7. Maps of Lines:

A map of the line to be acquired by Purchaser is attached as Exhibit A. Also attached at Exhibit A are maps identifying the general location of the Affiliates' lines.

8. Agreement.

Owners will not enter into any agreement to continue in control of Purchaser.

9. Labor protection:

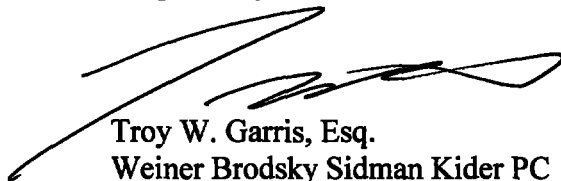
No labor protection may be imposed in this case, as it involves only class III rail carriers. *See* 49 U.S.C. § 11326(c).

10. Environmental issues:

Under 49 CFR § 1105.6(c)(2)(i), environmental documentation normally will not be prepared for an action that will not exceed the quantitative thresholds set forth in 49 CFR §§ 1105.7(e)(4) or 1105.7(e)(5). Owner's continuance in control of Purchaser, upon Purchaser's becoming a class III rail carrier, will not result in changes in carrier operations that exceed the above-referenced thresholds. Therefore, no environmental documentation is required for this Verified Notice of Exemption.

Similarly, the control transaction is not an action described in 49 CFR §§ 1105.6(a) or 1105.6(b), and is not an action described in section 1105.6(c) "that will result in the lease, transfer, or sale of a railroad's line, sites or structures." *See* 49 CFR § 1105.8(a). Therefore, no historic documentation is required for this Verified Notice of Exemption.

Respectfully submitted,



Troy W. Garriss, Esq.
Weiner Brodsky Sidman Kider PC
Dallas Metropolitan Area Office
2904 Corporate Cir.
Flower Mound, TX 75028

Attorneys for:

GULF & OHIO RAILWAYS HOLDING CO., INC.,
H. PETER CLAUSSEN AND LINDA C. CLAUSSEN

Dated: October 1, 2010

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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

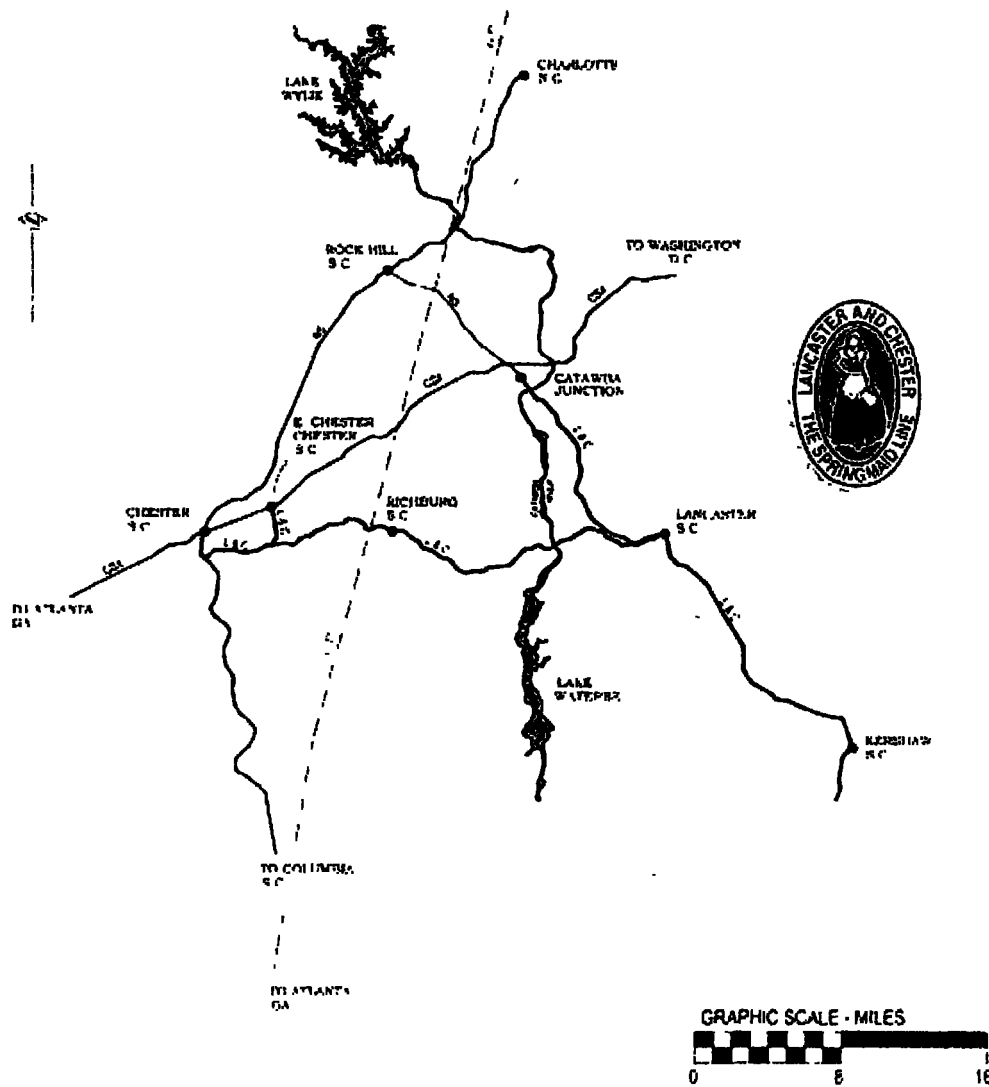
STB FINANCE DOCKET NO. 35414

**GULF & OHIO RAILWAYS HOLDING CO., INC.,
H. PETER CLAUSSEN AND LINDA C. CLAUSSEN
– CONTINUANCE IN CONTROL EXEMPTION –
LANCASTER & CHESTER RAILROAD, LLC**

EXHIBIT A

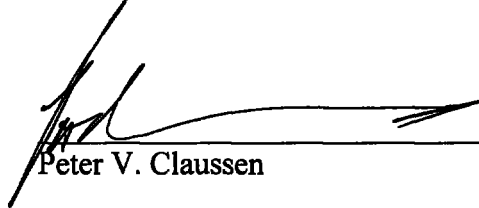
MAPS OF THE LINES

SYSTEM MAP
LANCASTER AND CHESTER RAILWAY COMPANY
MAY 2002



VERIFICATION

I, Peter V. Claussen, certify under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief. Further, I certify that I am qualified and authorized to cause this Verified Notice of Exemption to be filed.

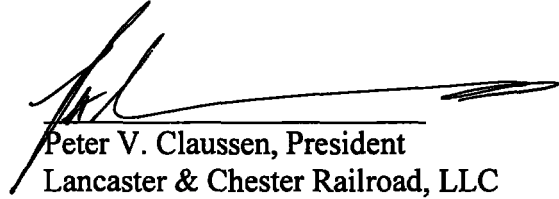


Peter V. Claussen

Dated: October 1, 2010

CERTIFICATE OF REVENUE

In accordance with 49 CFR § 1150.33(g), I do hereby certify that the revenue projected for as a result of this transaction will not exceed those that would qualify the Purchaser as a class III carrier.



Peter V. Claussen, President
Lancaster & Chester Railroad, LLC

Dated: October 1, 2010